



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-37-2021]

Foreign-Trade Zone (FTZ) 20 – Norfolk, Virginia; Notification of Proposed Production Activity; STIHL, Incorporated (Handheld Outdoor Power Equipment), Virginia Beach, Virginia

STIHL, Incorporated (STIHL) submitted a notification of proposed production activity to the FTZ Board for its facility in Virginia Beach, Virginia. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 3, 2021.

STIHL already has authority to produce handheld outdoor power equipment and related parts within Subzone 20E. The current request would add two foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt STIHL from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, STIHL would be able to choose the duty rates during customs entry procedures that apply to blowers, trimmers, sprayers, cutters, cultivators, and chainsaws (duty rate ranges from duty-free to 4.7%). STIHL would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include flat-rolled and cold-rolled alloy special steel products of a width less than 600 mm, and bars and rods of alloy special steel (duty-free). The request indicates that the components are subject to an antidumping/countervailing duty (AD/CVD) order if imported from certain countries. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign status (19 CFR 146.41). The request also indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: May 5, 2021.

Elizabeth Whiteman,
Acting Executive Secretary.